

## Abridged Consolidated Financial Statements

The following abridged consolidated financial statements and notes have been prepared as described in Note 1. While prepared based on the principles of PRC GAAP, they do not contain all of the information which either PRC GAAP or IFRS would require for a complete set of financial statements and should be read in conjunction with the consolidated financial statements of both Hubei Sanonda Co., Ltd and Adama Agricultural Solutions Ltd. as filed with the Shenzhen and Tel Aviv Stock Exchanges, respectively.

### Abridged Consolidated Income Statement for the Quarter

<i>Adjusted<sup>1</sup></i>	Q4 2017 USD(m)	Q4 2016 USD(m)	Q4 2017 RMB(m)	Q4 2016 RMB(m)
<b>Revenues</b>	<b>821</b>	<b>726</b>	<b>5,425</b>	<b>4,965</b>
Cost of Sales	553	502	3,657	3,430
Business taxes and surcharges	2	4	13	26
<b>Gross profit</b>	<b>265</b>	<b>221</b>	<b>1,755</b>	<b>1,508</b>
<i>% of revenue</i>	<i>32.3%</i>	<i>30.4%</i>	<i>32.3%</i>	<i>30.4%</i>
Operating expenses	220	190	1,456	1,297
<b>Operating income (EBIT)</b>	<b>45</b>	<b>31</b>	<b>299</b>	<b>211</b>
<i>% of revenue</i>	<i>5.5%</i>	<i>4.3%</i>	<i>5.5%</i>	<i>4.3%</i>
Financial expenses and investment income	33	28	216	189
<b>Income before taxes</b>	<b>12</b>	<b>3</b>	<b>83</b>	<b>23</b>
Taxes on Income	-13	5	-86	34
<b>Net income</b>	<b>26</b>	<b>-2</b>	<b>169</b>	<b>-12</b>
<i>% of revenue</i>	<i>3.1%</i>	<i>-0.2%</i>	<i>3.1%</i>	<i>-0.2%</i>
Attributable to:				
Owners of the Company	26	1	169	3
Non-controlling Interests	-	-2	-	-15
<b>EBITDA</b>	<b>100</b>	<b>84</b>	<b>656</b>	<b>581</b>
<i>% of revenue</i>	<i>12.2%</i>	<i>11.5%</i>	<i>12.2%</i>	<i>11.5%</i>
<b>Earnings per Share</b> – Basic	0.0109	0.0003	0.0720	0.0018
– Diluted	0.0109	0.0003	0.0720	0.0018

The number of shares used to calculate earnings per share in 2017 is 2,341.9 million shares, including the issuance of shares as part of the combination transaction. The number of shares used to calculate earnings per share in 2016 is 1,677.9 million shares, reflecting the issuance of shares as part of the combination transaction in 2017, yet excluding the portion of the 2016 non-controlling interest.

<sup>1</sup> For an analysis of the differences between the adjusted income statement items and the income statement items as reported in the financial statements, see below “Analysis of Gaps between Adjusted Income Statement and Income Statement in Financial Statements”.

## Abridged Consolidated Income Statement for the Full Year

<i>Adjusted<sup>1</sup></i>	FY 2017 USD(m)	FY 2016 USD(m)	FY 2017 RMB(m)	FY 2016 RMB(m)
<b>Revenues</b>	<b>3,523</b>	<b>3,331</b>	<b>23,820</b>	<b>22,070</b>
Cost of Sales	2,277	2,245	15,393	14,879
Business taxes and surcharges	9	9	62	60
<b>Gross profit</b>	<b>1,237</b>	<b>1,077</b>	<b>8,364</b>	<b>7,132</b>
<i>% of revenue</i>	<i>35.1%</i>	<i>32.3%</i>	<i>35.1%</i>	<i>32.3%</i>
Operating expenses	800	730	5,399	4,848
<b>Operating income (EBIT)</b>	<b>436</b>	<b>347</b>	<b>2,965</b>	<b>2,284</b>
<i>% of revenue</i>	<i>12.4%</i>	<i>10.4%</i>	<i>12.4%</i>	<i>10.4%</i>
Financial expenses and investment income	128	134	862	886
<b>Income before taxes</b>	<b>308</b>	<b>213</b>	<b>2,103</b>	<b>1,398</b>
Taxes on Income	28	19	193	128
<b>Net income</b>	<b>280</b>	<b>194</b>	<b>1,909</b>	<b>1,270</b>
<i>% of revenue</i>	<i>8.0%</i>	<i>5.8%</i>	<i>8.0%</i>	<i>5.8%</i>
Attributable to:				
Owners of the Company	280	116	1,909	760
Non-controlling Interests	-	78	-	510
<b>EBITDA</b>	<b>646</b>	<b>561</b>	<b>4,374</b>	<b>3,716</b>
<i>% of revenue</i>	<i>18.3%</i>	<i>16.9%</i>	<i>18.3%</i>	<i>16.9%</i>
<b>Earnings per Share</b>				
– Basic	0.1196	0.0692	0.8153	0.4530
– Diluted	0.1196	0.0692	0.8153	0.4530

The number of shares used to calculate earnings per share in 2017 is 2,341.9 million shares, including the issuance of shares as part of the combination transaction. The number of shares used to calculate earnings per share in 2016 is 1,677.9 million shares, reflecting the issuance of shares as part of the combination transaction in 2017, yet excluding the portion of the 2016 non-controlling interest.

## Abridged Consolidated Balance Sheet

	December 31 2017 USD(m)	December 31 2016 USD(m)	December 31 2017 RMB(m)	December 31 2016 RMB(m)
<b>Assets</b>				
<b>Current assets:</b>				
Cash at bank and on hand	1,204	554	7,869	3,842
Bills and accounts receivable	801	803	5,237	5,573
Inventories	1,146	1,076	7,488	7,464
Assets held for sale	62	-	403	-
Other current assets, receivables and prepaid expenses	357	293	2,333	2,036
<b>Total current assets</b>	<b>3,570</b>	<b>2,727</b>	<b>23,330</b>	<b>18,915</b>
<b>Non-current assets:</b>				
Fixed assets, net	1,063	1,050	6,945	7,282
Intangible assets, net	1,213	1,315	7,927	9,121
Deferred tax assets	136	93	891	647
Other non-current assets	80	76	521	529
<b>Total non-current assets</b>	<b>2,492</b>	<b>2,534</b>	<b>16,284</b>	<b>17,578</b>
<b>Total assets</b>	<b>6,063</b>	<b>5,261</b>	<b>39,614</b>	<b>36,493</b>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Loans and credit from banks and other lenders	418	199	2,729	1,383
Bills and accounts payable	646	545	4,218	3,780
Other current liabilities	665	665	4,348	4,611
<b>Total current liabilities</b>	<b>1,729</b>	<b>1,409</b>	<b>11,295</b>	<b>9,774</b>
<b>Long-term liabilities:</b>				
Long-term loans from banks and other lenders	79	144	514	1,002
Debentures	1,190	1,069	7,777	7,417
Deferred tax liabilities	34	43	225	296
Employee benefits	93	74	611	511
Other long-term liabilities	63	83	413	574
<b>Total long-term liabilities</b>	<b>1,460</b>	<b>1,413</b>	<b>9,540</b>	<b>9,801</b>
<b>Total liabilities</b>	<b>3,189</b>	<b>2,822</b>	<b>20,836</b>	<b>19,575</b>
<b>Equity</b>				
Total equity	2,874	2,439	18,778	16,918
<b>Total equity</b>	<b>2,874</b>	<b>2,439</b>	<b>18,778</b>	<b>16,918</b>
<b>Total liabilities and equity</b>	<b>6,063</b>	<b>5,261</b>	<b>39,614</b>	<b>36,493</b>

## Abridged Consolidated Cash Flow Statement

	Q4 2017 USD(m)	Q4 2016 USD(m)	Q4 2017 RMB(m)	Q4 2016 RMB(m)
<b>Cash flow from operating activities:</b>				
Cash flow from operating activities	217	191	1,437	1,307
<b>Cash flow from operating activities</b>	<b>217</b>	<b>191</b>	<b>1,437</b>	<b>1,307</b>
<b>Investing activities:</b>				
Additions to fixed and intangible assets	-67	-65	-442	-442
Proceeds from disposal of fixed and intangible assets	-	1	2	5
Other investing activities	-	-9	-	-60
<b>Cash flow used for investing activities</b>	<b>-67</b>	<b>-73</b>	<b>-440</b>	<b>-497</b>
<b>Financing activities:</b>				
Receipt of loans from banks and other lenders	307	11	2,031	76
Repayment of loans from banks and other lenders	-86	-143	-571	-974
Other financing activities	175	-33	1,159	-227
<b>Cash flow from (used for) financing activities</b>	<b>396</b>	<b>-165</b>	<b>2,619</b>	<b>-1,126</b>
<b>Effects of exchange rate movement on cash and cash equivalents</b>	<b>3</b>	<b>-2</b>	<b>-88</b>	<b>139</b>
<b>Net change in cash and cash equivalents</b>	<b>550</b>	<b>-48</b>	<b>3,528</b>	<b>-177</b>
Cash and cash equivalents at the beginning of the period	653	600	4,337	4,010
<b>Cash and cash equivalents at the end of the period</b>	<b>1,204</b>	<b>553</b>	<b>7,864</b>	<b>3,833</b>
<b>Free Cash Flow</b>	<b>115</b>	<b>81</b>	<b>763</b>	<b>555</b>
	FY 2017 USD(m)	FY 2016 USD(m)	FY 2017 RMB(m)	FY 2016 RMB(m)
<b>Cash flow from operating activities:</b>				
Cash flow from operating activities	586	636	3,958	4,237
<b>Cash flow from operating activities</b>	<b>586</b>	<b>636</b>	<b>3,958</b>	<b>4,237</b>
<b>Investing activities:</b>				
Additions to fixed and intangible assets	-223	-207	-1,503	-1,381
Proceeds from disposal of fixed and intangible assets	14	11	97	71
Other investing activities	17	-17	118	-115
<b>Cash flow used for investing activities</b>	<b>-192</b>	<b>-214</b>	<b>-1,288</b>	<b>-1,426</b>
<b>Financing activities:</b>				
Receipt of loans from banks and other lenders	334	88	2,212	577
Repayment of loans from banks and other lenders	-185	-329	-1,247	-2,211
Other financing activities	104	-83	671	-552
<b>Cash flow from (used for) financing activities</b>	<b>253</b>	<b>-324</b>	<b>1,636</b>	<b>-2,185</b>
<b>Effects of exchange rate movement on cash and cash equivalents</b>	<b>3</b>	<b>-3</b>	<b>-276</b>	<b>234</b>
<b>Net change in cash and cash equivalents</b>	<b>651</b>	<b>95</b>	<b>4,031</b>	<b>860</b>
Cash and cash equivalents at the beginning of the period	553	458	3,834	2,973
<b>Cash and cash equivalents at the end of the period</b>	<b>1,204</b>	<b>553</b>	<b>7,864</b>	<b>3,834</b>
<b>Free Cash Flow</b>	<b>310</b>	<b>336</b>	<b>2,097</b>	<b>2,237</b>

## Notes to Abridged Consolidated Financial Statements

### Note 1: Basis of preparation

**Basis of presentation and accounting policies:** The abridged consolidated financial statements for the years ended December 31, 2017 and 2016 incorporate the financial statements of Hubei Sanonda Ltd. (so called prior to its expected name change) and of all of its subsidiaries ("The Combined Company"), including Adama Agricultural Solutions Ltd. ("Solutions") and its subsidiaries.

The Combined Company has adopted the Accounting Standards for Business Enterprises issued by the Ministry of Finance (the "MoF") and the implementation guidance, interpretations and other relevant provisions issued or revised subsequently by the MoF (collectively referred to as "CASBE"). In addition, the Combined Company has disclosed relevant financial information in the financial statements in accordance with Information Disclosure and Presentation Rules for Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reporting (revised by China Securities Regulatory Commission in 2014).

Solutions' consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The abridged consolidated financial statements contained in this release are presented in both Chinese Renminbi (RMB) as the Combined Company's shares are traded on the Shenzhen Stock Exchange as well as in United States dollars (\$) as this is the major currency in which the Combined Company's business is conducted. For the purposes of this release, a customary convenience translation has been used for the translation from RMB to US dollars, with Income Statement and Cash Flow items being translated using the quarterly average exchange rate, and Balance Sheet items being translated using the exchange rate at the end of the period.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimated.

### Note 2: Abridged Financial Statements

For ease of use, the Financial Statements shown in this release have been abridged as follows:

#### Abridged Consolidated Income Statement:

- "Operating expenses" includes selling and distribution expenses; general and administrative (including research and development); impairment losses; gain (loss) from disposal of assets and non-operating income and expenses
- "Financial expenses and investment income" includes net financing expenses; gains from changes in fair value; and investment income (including share of income of equity accounted investees)

#### Abridged Consolidated Balance Sheet:

- "Other current assets, receivables and prepaid expenses" includes financial assets at fair value through profit or loss; financial assets in respect of derivatives; prepayments; other receivables; and other current assets
- "Fixed assets, net" includes fixed assets and construction in progress
- "Intangible assets, net" includes intangible assets and goodwill
- "Other non-current assets" includes assets available for sale; long-term equity investments; long-term receivables; investment property; and other non-current assets
- "Loans and credit from banks and other lenders" includes short-term loans and non-current liabilities due within one year
- "Other current liabilities" includes financial liabilities in respect of derivatives; payables for employee benefits, taxes, interest, dividends and others; advances from customers and other current liabilities
- "Other long-term liabilities" includes long-term payables, provisions, deferred income and other non-current liabilities

## Analysis of Gaps between Adjusted Income Statement and Reported Income Statement in Financial Statements

Q4 USD(m)	Adjusted		Adjustments		Reported	
	Q4 2017	Q4 2016	Q4 2017	Q4 2016	Q4 2017	Q4 2016
Revenues	821	726	-	-	821	726
Gross profit	265	221	-9	7	275	214
Operating expenses	220	190	-51	-34	271	224
Operating income (EBIT)	45	31	41	41	4	-10
Income before taxes	12	3	41	53	-29	-50
Net income	26	-2	34	51	-8	-53
EBITDA	100	84	27	21	72	63
Earnings per share	0.0109	0.0003	0.0144	0.0237	-0.0035	-0.0234

FY USD(m)	Adjusted		Adjustments		Reported	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
Revenues	3,523	3,331	-	-	3,523	3,331
Gross profit	1,237	1,077	2	7	1,235	1,070
Operating expenses	800	730	-63	-65	864	795
Operating income (EBIT)	436	347	65	72	371	275
Income before taxes	308	213	65	84	243	129
Net income	280	194	54	76	226	118
EBITDA	646	561	20	18	625	544
Earnings per share	0.1196	0.0692	0.0232	0.0344	0.0964	0.0348

Q4 RMB(m)	Adjusted		Adjustments		Reported	
	Q4 2017	Q4 2016	Q4 2017	Q4 2016	Q4 2017	Q4 2016
Revenues	5,425	4,965	-	-	5,425	4,965
Gross profit	1,755	1,508	-61	46	1,815	1,462
Operating expenses	1,456	1,297	-334	-232	1,790	1,529
Operating income (EBIT)	299	211	273	278	25	-67
Income before taxes	83	23	273	364	-191	-341
Net income	169	-12	222	350	-54	-362
EBITDA	656	581	181	152	475	429
Earnings per share	0.0720	0.0018	0.0949	0.1618	-0.0229	-0.1600

FY RMB(m)	Adjusted		Adjustments		Reported	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
Revenues	23,820	22,070	-	-	23,820	22,070
Gross profit	8,364	7,132	11	45	8,354	7,087
Operating expenses	5,399	4,848	-424	-436	5,824	5,284
Operating income (EBIT)	2,965	2,284	435	482	2,530	1,803
Income before taxes	2,103	1,398	435	567	1,668	831
Net income	1,909	1,270	363	515	1,546	755
EBITDA	4,374	3,716	131	129	4,243	3,587
Earnings per share	0.8153	0.4530	0.1552	0.2330	0.6601	0.2200

## Income Statement Adjustments

USD (m)	Q4 2017	Q4 2016	FY 2017	FY 2016
<b>Net Income (as Reported)</b>	<b>-8.1</b>	<b>-53.0</b>	<b>225.8</b>	<b>117.7</b>
Non-cash legacy amortization of 2011 PPA for acquisition of Solutions, net of tax	9.5	9.5	38.0	38.0
Cancellation of 2014 employee options plan (net of compensation) due to replacement of formerly planned IPO by Combination Transaction	-	-2.8	-	-6.1
Combination Transaction – one-time professional services fees	2.4	10.7	2.4	10.7
Combination Transaction – one-time award made to employees not included in option plan	1.3	7.6	7.1	7.6
Adjustment of 2017 LTI provision made in Q4 to accrual over the full year	6.3	-	-	-
One-time capital gain from sale of US registrations, related to ChemChina acquisition of Syngenta	-	-	-8.6	-
Reinstatement of depreciation expenses due to classification of to-be-divested European registrations as “Held-for-Sale”, related to ChemChina acquisition of Syngenta	-3.5	-	-7.7	-
Other non-recurring corporate development activity related to ChemChina affiliate	-	-	2.8	-
Creation of deferred tax asset on losses carried forward in anticipation of their expected utilization in 2018, due to expected capital gain on divestments due to ChemChina acquisition of Syngenta	-28.7	-	-28.7	-
One-time non-cash reduction of historical tax asset and provision for 2012 onward tax assessment	25.4	-	25.4	-
One-time non-cash fixed assets impairment, mostly in China due to new operations layout	8.8	8.3	8.8	8.3
One-time non-cash provision for post-employment and early retirement of Sanonda employees, net of tax	12.0	-	12.0	-
One-time non-cash impairment of non-core production facility due to discontinued JV from 2009	-	17.9	-	17.9
Net expense related to conclusion of 1985 tax claim in Brazil	-	-	2.8	-
<b>Total adjustments</b>	<b>33.6</b>	<b>51.3</b>	<b>54.3</b>	<b>76.4</b>
<b>Net Income (as Adjusted)</b>	<b>25.5</b>	<b>-1.7</b>	<b>280.1</b>	<b>194.2</b>

RMB (m)	Q4 2017	Q4 2016	FY 2017	FY 2016
<b>Net Income (as Reported)</b>	<b>-53.6</b>	<b>-362.2</b>	<b>1,545.9</b>	<b>754.6</b>
Non-cash legacy amortization of 2011 PPA for acquisition of Solutions, net of tax	62.8	64.9	256.8	252.3
Cancellation of 2014 employee options plan (net of compensation) due to replacement of formerly planned IPO by Combination Transaction	-	-19.1	-	-41.3
Combination Transaction – one-time professional services fees	16.1	73.4	16.1	73.4
Combination Transaction – one-time award made to employees not included in option plan	8.6	51.9	47.1	51.9
Adjustment of 2017 LTI provision made in Q4 to accrual over the full year	41.9	-	-	-
One-time capital gain from sale of US registrations, related to ChemChina acquisition of Syngenta	-	-	-59.0	-
Reinstatement of depreciation expenses due to classification of to-be-divested European registrations as “Held-for-Sale”, related to ChemChina acquisition of Syngenta	-22.8	-	-51.5	-
Other non-recurring corporate development activity related to ChemChina affiliate	-	-	18.7	-
Creation of deferred tax asset on losses carried forward in anticipation of their expected utilization in 2018, due to expected capital gain on divestments due to ChemChina acquisition of Syngenta	-190.0	-	-190.0	-
One-time non-cash reduction of historical tax asset and provision for 2012 onward tax assessment	167.9	-	167.9	-
One-time non-cash fixed assets impairment, mostly in China due to new operations layout	58.6	57.0	58.6	57.0
One-time non-cash provision for post-employment and early retirement of Sanonda employees, net of tax	79.4	-	79.4	-
One-time non-cash impairment of non-core production facility due to discontinued JV from 2009	-	122.1	-	122.1
Net expense related to conclusion of 1985 tax claim in Brazil	-	-	19.3	-
<b>Total adjustments</b>	<b>222.5</b>	<b>350.4</b>	<b>363.3</b>	<b>515.4</b>
<b>Net Income (Adjusted)</b>	<b>168.7</b>	<b>-11.8</b>	<b>1,909.3</b>	<b>1,270.0</b>

## Exchange Rate Data for the Combined Company's Principal Functional Currencies

	December 31			Q4 Average			FY Average		
	2017	2016	Change	2017	2016	Change	2017	2016	Change
EUR/USD	1.198	1.052	13.9%	1.178	1.080	9.1%	1.198	1.107	8.2%
USD/BRL	3.308	3.259	-1.5%	3.248	3.293	1.4%	3.192	3.490	8.5%
USD/PLN	3.481	4.179	16.7%	3.594	4.057	11.4%	3.779	3.943	4.2%
USD/ZAR	12.380	13.720	9.8%	13.580	13.917	2.4%	13.264	14.710	9.8%
AUD/USD	0.781	0.722	8.1%	0.769	0.750	2.6%	0.766	0.743	3.1%
GBP/USD	1.350	1.229	9.9%	1.328	1.244	6.7%	1.287	1.351	-4.7%
USD/ILS	3.467	3.845	9.8%	3.507	3.825	8.3%	3.596	3.836	6.2%
USD LIBOR 3M	1.69%	1.00%	69.8%	1.46%	0.92%	58.6%	1.26%	0.74%	69.6%

	December 31			Q4 Average			FY Average		
	2017	2016	Change	2017	2016	Change	2017	2016	Change
USD/RMB	6.534	6.937	-5.8%	6.611	6.833	-3.3%	6.755	6.640	1.7%
EUR/RMB	7.826	7.296	7.3%	7.785	7.377	5.5%	7.612	7.348	3.6%
RMB/BRL	0.506	0.470	-7.8%	0.491	0.482	-1.9%	0.473	0.541	12.6%
RMB/PLN	0.533	0.577	7.7%	0.544	0.583	6.8%	0.559	0.526	-6.4%
RMB/ZAR	1.885	1.978	4.7%	1.885	2.037	7.5%	1.878	2.215	15.2%
AUD/RMB	5.103	5.010	1.9%	5.083	5.123	-0.8%	5.176	4.936	4.9%
GBP/RMB	8.906	8.525	4.5%	8.726	8.499	2.7%	8.670	8.974	-3.4%
RMB/ILS	0.531	0.554	4.3%	0.531	0.560	5.2%	0.532	0.578	7.8%
RMB SHIBOR 3M	4.91%	3.27%	50.1%	4.60%	2.98%	54.7%	4.37%	2.91%	50.0%